

Scotland: Reorganisation & Redundancies

The Bank has announced that following a reorganisation of the LTSB Scotland Head Office, LTSB Scotland Community Bank and Bank of Scotland Community Bank there will be a net reduction of 59.2 FTE roles during Q1 2010.

Details of the roles that are being made redundant are set out in the table overleaf. The key features of the announcement are:

- **LTSB Scotland Head Office will be broken up and the work will be moved to the respective Divisions. This will remove the need to have separate Chief Executive's and Press Offices etc and will result in the reduction of 26.9 FTE roles.**
- **LTSB Scottish Private Client Banking will cease taking new business and existing customers will be integrated into the Retail Network. This change will result in a reduction of 20.3 FTE roles.**
- **A new Scotland Retail Network Office will be created in line with those that already exist in England and Wales.**
- **In LTSB the 19 TOP coaches and Local Development Manager roles will be combined to create 9 Local Sales & Service Performance Manager roles and that will result in a reduction of 10 FTE roles.**
- **There are currently 28 staff working in the HBOS North Divisional Office at Rosyth and they support the Bank of Scotland Field Management structure. The HBOS Divisional Office will close and some of the**

Staff Reductions In Scotland, Staff Rights, Selection Process

work will be transferred into the new Network Director's Office. This will result in the loss of 28 FTE roles.

Staff in the Branch networks in Scotland are rightly concerned about their future job security given that unlike in England and Wales the Bank has said that the number of Branches in Scotland will reduce over time because of the takeover. The number and location of those branches that will be closed has still not been determined. However, the Bank has said that changes to the Branch Network will not be implemented until the end of 2010 and beginning of 2011. Our discussions are ongoing and we will keep members informed of developments.

In the meantime, members with any questions on the reorganisation can contact the Union's Bedford Office on 01234 262868 or email me at Mark.Brown@ltu.co.uk.

Summary Of Affected Roles By Location

Key Locations	Bank of Scotland				Lloyds TSB Scotland								Network Director's Office	Totals
	Field Management				Head Office					Field Management				
	Division Office	Region Office (Scot East)	Region Office (Scot West)	Local Director Offices	Cust Wealth & Marketing	Private Client Bank	Chief Exec Office	Press Office	Strat Impltn	Region Office	Local Director Office			
	Role Reduce	Role Increase	Role Increase	No Change	Role Reduce	Role Reduce	Role Reduce	Role Reduce	Role Reduce	Role Reduce	No Change	Role Increase		
Rosyth	-28													-28
Glasgow		1	1			-6								-4
Dunf'line		1	1											2
Edinburgh					-19	-12	-6	-2	-2				22	-19
Colleagues based around Scotland						-2					-10			-12
Totals	-28	2	2	0	-19	-20	-6	-2	-2	-10	0	22	-61	

* 61 roles equates to 59.2 FTE

LTU's Key Priorities

Throughout these and all other job reductions arising from integration, LTU will have two key priorities:

- **Ensuring that the Bank takes all possible steps to avoid making affected staff compulsorily redundant.** LTU will be doing all it can to avoid staff being made compulsorily redundant until all other possibilities have been exhausted. Measures must include seeking volunteers for redundancy - both in the areas affected and elsewhere to creating 'bumping opportunities' - removal of contractor and agency roles and, wherever work has been offshored, the return of these activities to the UK.

- **Avoiding 'Forced Redeployment'.** An issue for many staff that is almost as emotive as redundancy, concerns circumstances where staff are forced to redeploy into alternative roles that they may not wish to accept (perhaps preferring Voluntary Severance) or consider unsuitable. LTU will also be giving these staff its fullest support.

Over the remainder of this Newsletter, LTU provides detailed advice on staff job security rights and entitlements, guidance on how to calculate the Severance Terms and information on the high quality, professional support that LTU will be providing our members in the Network at this very important time.

The Reorganisation & Selection Process Explained

Over recent weeks, the Bank and Union have been in detailed discussions over arrangements for this latest phase of job reductions across Scotland.

Selection Pools

All staff affected by these reorganisations will be organised into Selection Pools consisting of staff from across HBOS and LTSB in their areas, who are in similar Bands and roles and hence 'competing' against each other for future roles in the new, integrated structures.

Staff in the same Selection Pools will be advised of which other categories of staff they will be 'competing' against and will be given details of the specific roles (and the number of these that will be available) that they are permitted to express interest in under the new structure.

One-To-One Meetings & Personal Preference Forms

All affected staff will have one-to-one meetings with their line managers and will be asked to complete Personal Preference Forms in which they should set out their career history, qualifications, skills, experience and knowledge.

Staff will also be asked to indicate which redeployment opportunities they might be interested in or, if they prefer, express an interest in leaving the Bank on Voluntary Severance Terms. Guidance for members on how to calculate their Severance Terms entitlement is provided later in this Newsletter.

Each of the roles available in the new, integrated structure will have a set number of Selection Factors that the Bank believes will be relevant when selecting which candidates have the most relevant knowledge and skills.

The Bank has set out a list 14 core Selection Factors, of which typically 5 (or slightly more) will normally be assigned to each role. These core Selection Factors are listed in the table alongside.

There is scope for the Bank to require additional knowledge and skills other than these core factors, though only after agreeing the Selection Criteria with LTU.

Furthermore, for Band 1 and 2 roles, often the Bank will also assess candidates' suitability by reference to JDIE.

These Personal Preference Forms should be completed and returned to line managers by the dates specified for each area.

Voluntary Severances

It is LTU's priority that wherever possible no members of staff should be made compulsorily redundant as a consequence of this reorganisation.

The Bank has accepted that wherever possible it should pursue voluntary redundancy as the preferred mechanism for achieving job reductions. It will be relying on one-to-one discussions between line managers and staff and the submission of Personal Preference Forms to identify those staff who would be interested in leaving the Bank voluntarily with a Severance Payment.

SELECTION FACTORS: CORE KNOWLEDGE & SKILLS

Suitability of candidates for most roles will be based on a judgement of each individual's capabilities when set against 5 or more of the following 14 core factors which are considered most suitable to the roles concerned:

- **Oral Communication**
- **Written Communication**
- **Interviewing**
- **Presentation/Facilitation**
- **Self/Work Organisation**
- **Keyboard/Software Applications**
- **Performance Review & Devtpt**
- **Budgeting**
- **Analytical Skills**
- **Project Management**
- **Change Management**
- **Organisational Awareness**
- **Environmental Awareness**
- **Procedural/Product/Specialist Knowledge**

Some roles may have additional factors, though only after agreement between the Bank and Union.

However, the Bank also insists that it will want to retain the strongest team that it can and so there is no guarantee that staff who have expressed an interest in Voluntary Severance will be allowed to leave on this basis.

Selection Process

The Bank will be following a set process for determining which staff should be selected for either remaining in their teams or redeploy into other roles.

It says its intention throughout is that there should be a fair, consistent and transparent approach to selecting staff for remaining roles:

- Based upon the Personal Preference Forms completed and submitted by staff, the Bank will conduct a desk-top exercise to identify which staff best match the skills and knowledge appropriate to the available roles.
- A proportion of staff - typically between 10-20% - will be selected to roles on the basis that they are clearly the strongest candidates for the roles available.
- Performance ratings will also be used to help select candidates.
- In the case of Bands 1 and 2 roles, the capabilities of candidates will also be assessed using JDIE.
- Whilst the expectation is that most staff will be appointed to available roles on the basis of this desk-top selection process, where desk-top selection cannot establish a clear and justifiable differences between candidates, interviews will be used to differentiate between staff.
- Where interviews do take place, these will be designed to assess affected staff against two criteria: performance and knowledge/technical skills. For each available role, the knowledge/technical skills will be based upon a minimum of five criteria that the Bank believes are most appropriate to the role (see table on page 3).

In some areas where there are a number of specific requirements for roles that can only be matched by the existing job holder or job holders - and there is no surplus of obvious candidates for the roles - it is possible that staff may be 'ring-fenced' and

appointed automatically.

However, this exemption from the Selection Process will be an exception only and will be permissible only after agreement between the Bank and LTU, to ensure that the Selection Process remains fair and transparent.

Unsuccessful Candidates - CREST

Staff who are unsuccessful in applying for roles in the areas available to them, but remain interested in redeployment, will be allocated to a 'Displaced Pool'.

HR will seek to source possible alternative roles elsewhere in Scotland Banking, possibly leading to candidates unsuccessful in one Selection Pool being allowed to join different Selection Pools, possibly for roles one Band lower.

Displaced staff who remain unable to find alternative roles will then receive the support of CREST; a function set up to seek redeployment opportunities across all Divisions in the Lloyds Banking Group, which takes the place of LTSB's Pathways function.

CREST is responsible for:

- Providing a Group-wide perspective to redeployment, co-ordinating redeployment forums in key locations (i.e. where there are concentrations of staff over more than one Division).
- Receiving details of all Group vacancies, which it will seek to fill from displaced staff before consideration is given to advertising vacancies externally.

Only once CREST has sought out and failed to secure vacancies for displaced staff will the Bank consider making staff compulsorily redundant.

LTU Monitoring

LTU will be monitoring the Selection Process to ensure that staff are treated fairly and consistently. The Union will also be meeting regularly with senior representatives from Scotland to review progress.

Staff Rights & Suitable Alternative Employment

Though the Bank accepts that many staff will be made redundant, it is nevertheless insisting upon reserving the right to redeploy staff into what it considers to be suitable alternative jobs.

It is therefore important that all affected staff understand the limits of the Bank's discretion when determining into which roles it can and cannot redeploy them.

In the simplest terms, if roles meets the legal definition of 'suitable alternative employment', staff have no choice but to either accept them or resign without compensation.

However, if the Bank fails to offer genuine 'suitable alternative employment', staff can refuse to redeploy into alternative positions and insist upon receiving Severance Payments instead.

What Is Suitable Alternative Employment?

Any Retail staff affected by this reorganisation who are refused the choice of leaving on Voluntary Severance Terms, will have a legal right to be offered 'suitable alternative employment' if it is available. If such positions cannot be found, staff are entitled to be offered the Bank's Voluntary Severance Terms as an alternative to redeployment.

'Suitable Alternative Employment' would be:

- **A position at the same Band or level of seniority (see 'Transfer To A Lower Grade')**
- **Within the skills, competencies and experiences of an individual, subject to adequate training**
- **A 'proper job' rather than one of only a short-term nature**
- **With the same working patterns**
- **Within recognised mobility parameters.**

Staff are often offered temporary secondments or projects, but these would be treated as 'suitable alternative employment' only if there was a real prospect of the individual continuing in the post for the foreseeable future.

Where members of staff are offered genuinely 'suitable alternative employment' they cannot unreasonably decline the alternative jobs. If they do, they risk being treated by the Bank as having resigned and will not be entitled to any compensation.

Travel & Mobility

In some cases, staff may be concerned that they could be offered alternative jobs that are some considerable distance from where they live. The guidelines agreed between LTU and the Bank specify that normally staff should be expected to transfer only where;

- **The journey from home is less than 25 miles, or;**
- **The journey time for staff travelling by public transport is less than 1 hour 15 minutes.**

Of course, each case needs to be judged on its own merits. In some circumstances (such as quick driving routes) a longer journey may be reasonable; whilst in other cases 25 miles may be too great a distance (i.e. congested or cross-country journeys).

The Bank must also take into account the "personal and domestic circumstances" of staff, for instance their child or family care responsibilities, when considering asking them to transfer.

Job Size & Duties

Any member considering accepting an alternative job should:

- **Ask for the Hay Job Units score for the new job. Members must remember that the fact that two jobs are in the same Band doesn't mean that the salaries attached to them will be managed around the same Market Indicator. This can and will affect the salaries**